ORIGINAL

BEFORE THE

Federal Communications Commission

WASHINGTON, D.C.

RECEIVED

JUL 21 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of	)	
	)	
1998 Biennial Regulatory Review -- Review of	)	MM Docket No. 98-35
the Commission's Broadcast Ownership Rules	)	
and Other Rules Adopted Pursuant to Section	)	
202 of the Telecommunications Act of 1996	)	

To: The Commission

DOCKET FILE COPY ORIGINAL

COMMENTS OF UNIVISION COMMUNICATIONS INC.

UNIVISION COMMUNICATIONS INC.

Clifford M. Harrington
Scott R. Flick

Its Attorneys

Fisher Wayland Cooper Leader
& Zaragoza L.L.P.
2001 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20006
(202) 659-3494

Date: July 21, 1998

No. of Copies rec'd 0+5
List ABCDE

SUMMARY

Univision Communications Inc. ("Univision"), by its attorneys, hereby submits its comments in response to the above-captioned Notice of Inquiry regarding the Commission's broadcast ownership rules. Specifically, Univision urges the Commission to retain the UHF television discount and the cable/television cross-ownership rules in their current state. The disparity between UHF and VHF stations remains, and neither new antenna technology nor the status of cable carriage have alleviated this problem. Similarly, the cable/television cross-ownership rule continues to protect diversity by preventing anti-competitive activity, and therefore continues to serve the public interest.

TABLE OF CONTENTS

PAGE

Summary i

Table of Contents ii

Introduction 1

I. The Commission Should Retain the UHF Discount, as It Accurately Reflects the Reality that UHF Stations Remain Disadvantaged Compared to VHF Stations 2

II. The Commission Should Retain the Cable/Television Cross-Ownership Rule and More Stringently Enforce Its Channel Positioning and Must-Carry Rules to Protect Broadcast Diversity and Service to the Public 6

Conclusion 16

BEFORE THE

Federal Communications Commission

WASHINGTON, D.C.

In the Matter of	)	
	)	
1998 Biennial Regulatory Review -- Review of	)	MM Docket No. 98-35
the Commission's Broadcast Ownership Rules	)	
and Other Rules Adopted Pursuant to Section	)	
202 of the Telecommunications Act of 1996	)	

To: The Commission

COMMENTS OF UNIVISION COMMUNICATIONS INC.

Univision Communications Inc. ("Univision"), by its attorneys and pursuant to Sections 1.415 and 1.419 of the Commission's Rules, 47 C.F.R. §§ 1.415, 1.419, hereby respectfully submits its comments in response to the above-captioned Notice of Inquiry regarding the Commission's broadcast ownership rules (the "NOI").[1] Specifically, for the reasons set forth below, Univision urges the Commission to retain the UHF television discount and the cable/television cross-ownership rules in their current state.

Introduction

Univision is the leading Spanish-language television broadcaster in the United States. It operates the Univision Network, the most popular Spanish-language broadcast network in the United States, which has 41 television station affiliates, 20 of which are full-power television stations. Univision controls Univision Television Group, Inc., which indirectly owns and

---

[1]These comments are timely filed pursuant to the Commission's Order in this proceeding, which extended the time for filing comments to July 21, 1998. See Order, DA 98-854, (released May 7, 1998).

operates 13 full-power UHF and eight low-power UHF television stations, including full-power stations in 12 of the top 15 Hispanic markets. In addition, Univision owns and operates Galavision, the most-watched Spanish-language cable network in the country.

In light of Univision's reliance upon UHF television stations and cable carriage to provide the nation's Hispanic population with Spanish-language programming, the Commission's decision to review its UHF discount and cable/television cross-ownership rules is of particular importance to Univision. If Univision and other UHF broadcasters are to continue to provide their audiences with quality programming, both the UHF discount and cable/television cross-ownership rules must be maintained. Despite efforts by both the Commission and UHF broadcasters to reduce the disparity in market coverage that UHF broadcasters suffer from as compared to VHF broadcasters, the laws of physics have remained unchanged and UHF coverage continues to be limited. Accordingly, the UHF discount should be retained, as it accurately reflects this continuing disparity. Similarly, as cable system operators have become the dominant gatekeepers to television households, the cable/television cross-ownership rule has become increasingly vital to protect diversity and prevent anti-competitive activity. The Commission should therefore leave the cable/television cross-ownership rule unchanged as well.

I. The Commission Should Retain the UHF Discount, as It Accurately Reflects the Reality that UHF Stations Remain Disadvantaged Compared to VHF Stations

In the NOI, the Commission seeks comment on whether its UHF television discount rule should be retained, modified or rescinded. This rule provides that UHF television stations are attributed with 50% of the television households in their ADI market, compared to the 100% attributed to VHF television stations, for purposes of evaluating compliance with the 35%

national audience cap.[2] As shown below, the reasons that motivated the adoption of the rule in 1985 remain just as compelling today.

The UHF discount was adopted in recognition of the unalterable fact that

> [d]ue to the physical nature of the UHF and VHF bands, *delivery of television signals is inherently more difficult at UHF.* It should be recognized that actual equality between these two services cannot be expected because *the laws of physics dictate that UHF signal strength will decrease more rapidly with distance than does VHF signal strength.*[3]

This inherently weaker signal that UHF broadcasters contend with creates a host of problems. The Commission has long acknowledged that "[s]ince UHF broadcasters must transmit at much higher and more costly power levels in order to be adequately received, UHF broadcasters [are] disadvantaged by greater operating expenses."[4] Even with these higher operating costs, however, the disparity between the reach of VHF and UHF television signals remains unchanged. As noted by the Association for Local Television Stations in comments filed in a separate proceeding, "VHF stations typically have a signal reach of 72-76 miles, while UHF stations' signal reach is only 44 miles. . . . [Moreover], networks and advertisers prefer VHF stations for affiliation and for advertising, respectively."[5] The Commission itself has found that "as a general matter, it appears that UHF stations are less profitable than VHF stations."[6]

---

[2]NOI at ¶ 25.

[3]Amendment of Section 73.3555, 57 R.R.2d 966 (1985), at ¶ 43 (citing Comparability for UHF Television: Final Report, September, 1980 at 2) (emphasis added).

[4]Improvements to UHF Television Reception, 90 F.C.C.2d 1121 (1982) at Footnote 14.

[5]Broadcast Television National Ownership Rules, Notice of Proposed Rulemaking, 11 FCC Rcd 19949 (1996) at ¶ 9. Based on these signal reach numbers, UHF stations have approximately 37% of the geographic coverage that VHF stations enjoy.

[6]Id. at ¶ 13.

Although the laws of physics have not changed in the thirteen years since the UHF discount was adopted, the Commission has indicated that the combination of "improvements in transmission and reception technology, cable carriage of UHF television stations under [its] must-carry rules, and increasing cable penetration" all necessitate a reevaluation of whether the UHF discount should be modified or repealed.[7] However, neither new antenna technology nor the status of cable carriage warrant altering the UHF discount.

As an initial matter, neither cable carriage nor new antenna technology have changed the fact that UHF television stations continue to suffer from higher operating expenses to produce signals that continue to have less range than those transmitted by VHF television stations. Moreover, any advances in transmission and reception technology have not been limited to UHF broadcasting. VHF broadcasters have also benefitted from these advances, thereby leaving the fundamental disparity between UHF and VHF stations in place. Also, as television set manufacturers increasingly focus their production efforts on "cable-ready" sets with picture-in-picture and home theater options, the production of television sets that can pull in weak over-the-air signals seems to be declining. Even worse, the increasing availability of clear pictures on cable, DBS, VCRs, and DVD players has led to a decline in the willingness of audiences to watch "snowy" distant UHF signals. Moreover, the increasing popularity of DBS service has left many households unable to receive local broadcast stations without an antenna. Many of these households opt to use indoor antennas, and broadcast reception is often therefore limited to only the powerful VHF stations that can be received with such antennas. As a result, even DBS

---

[7]NOI at ¶ 27.

households that are relatively close to a UHF station's transmitter site may be unable to receive its signal on their indoor antennas. In short, distant viewing of UHF signals has likely decreased since 1985 and the disparity between UHF and VHF stations has grown rather than diminished.

Second, the Commission's suggestion that cable carriage functions as a great equalizer between UHF and VHF television stations fails to account for the fact that the cable carriage rules actually favor VHF television stations over UHF television stations. Under the must-carry rules, in order to obtain cable carriage, television stations must place an adequate television signal over the cable headend.[8] Because UHF stations are often unable to reach a cable system's headend with their limited over-the-air signal, they do not receive the cable carriage that local VHF stations do. Moreover, because VHF stations are more likely to be affiliated with one of the four "major" national networks, cable system operators have greater incentive to work with a VHF broadcaster to obtain a viewable signal at their headends, whereas cable system operators often seek to avoid carriage of UHF stations even where an adequate strength signal can be proven to exist. Therefore, the Commission's cable carriage rules reinforce, rather than ameliorate, the UHF-VHF disparity.

To summarize, the following changes, or lack thereof, have taken place since the UHF discount was adopted:

- UHF television station signals continue to lack the range of VHF television station signals.
- The increased use of cable, DBS, VCRs, and DVD players has made the public less inclined to watch "snowy" UHF signals received at the fringe of reception.
- Because of DBS, many viewers now rely on indoor antennas to receive broadcast signals, thereby making UHF reception difficult.

---

[8] 47 C.F.R. § 76.55(c)(3).

- UHF television stations continue to suffer from higher operating expenses than VHF television stations.
- UHF television stations continue to be less favored by advertisers and networks than VHF television stations.
- Cable carriage rules and customs continue to favor the carriage of VHF television stations over UHF television stations because not only do VHF television stations more easily place a strong signal over cable headends than do UHF television stations, but cable system operators are often more willing to work with VHF broadcasters to obtain a viewable signal at their headends.
- Any improvements in transmission and reception technology have benefitted both UHF and VHF broadcasters and, accordingly, have not eliminated the signal disparity that UHF broadcasters suffer from as compared to VHF broadcasters.

Given these facts, there is no reason to alter the UHF discount. To the contrary, the need for the UHF discount is possibly more acute today than it was when the rule was originally adopted. If the disparity between UHF and VHF stations had actually been eliminated, broadcasters would be taking advantage of the UHF discount by selling their VHF stations and acquiring UHF stations instead. This would allow them to effectively double the number of markets in which they operate television stations. Tellingly, in this unprecedented period of consolidation in which the national audience cap has become increasingly significant, no such shift in the market for television stations has occurred. Univision therefore urges the Commission to maintain the UHF discount in determining compliance with the national audience cap.

II. The Commission Should Retain the Cable/Television Cross-Ownership Rule and More Stringently Enforce Its Channel Positioning and Must-Carry Rules to Protect Broadcast Diversity and Service to the Public

As mentioned above, cable system operators often seek to avoid carrying UHF stations on their systems, despite the requirements of the Commission's must-carry rules. Elimination of the cable/television cross-ownership rule would provide cable system operators with an even greater incentive to use their monopolistic power to disadvantage local broadcasters, as Univision's own experience demonstrates. Rather than repeal the cable/television cross-ownership rule, the Commission needs to strengthen its enforcement of the rule and more sternly administer the Commission's channel positioning and must-carry rules to protect against anti-competitive abuses.

The cable/television cross-ownership rule was adopted "to further the Commission's policy of promoting diversity in local mass communications media."[9] Today, the need for this rule is more pronounced then it was when it was adopted. Ironically, back in 1970, the cable/television cross-ownership rule was adopted to avoid "domination of the cable industry by an already overly-concentrated broadcast industry."[10] Today, the cable/television cross-ownership rule effectively protects broadcasters from domination by an overly-concentrated cable industry.[11]

Despite the changes during the past few decades in which the cable industry has replaced broadcast stations as the dominant provider of video programming to the public, the

---

[9]NOI at ¶ 44.

[10]Amendment of Part 74, Subpart K, of the Commission's Rules and Regulations Relative to Community Antenna Television Systems, Second Report and Order, 23 F.C.C.2d 816 (1970) at ¶ 11.

[11]As stated in the Commission's Fourth Annual Report, "[l]ocal markets for the delivery of video programming generally remain highly concentrated and continue to be characterized by some barriers to entry and expansion by potential competitors to incumbent cable systems." Moreover, the Commission found that while "[t]elevision broadcasting remains a significant alternative to other means of video programming distribution for viewers, programmers and advertisers. . . . viewership of broadcast station programming continued to gradually decline as viewership of cable and satellite network programming increased." Fourth Annual Report in the Matter of Annual Assessment of the Status of Competition in Markets for the Delivery of Video Programming, 11 CR 147 (1998) at ¶ 11.

cable/television cross-ownership rule continues to serve the public interest by preserving diversity and protecting against unfair competition. Now, however, broadcast stations represent the independent voices that are threatened, and the cable industry serves as the gatekeeper to many television households. As stated by the United States Supreme Court, cable operators have "systemic reasons for seeking to disadvantage broadcast stations: Simply stated, cable has little interest in assisting, through carriage, a competing medium of communications. . . . [C]able systems have little incentive to carry, and a significant incentive to drop, broadcast stations that will only be strengthened by access to the 60% of the television market that cable typically controls."[12] Indeed, Congress has expressed its fear that:

> broadcast stations dropped or denied cable carriage would be at a serious risk of financial difficulty, and would deteriorate to a substantial degree or fail altogether . . . . [T]he [cable] industry's expanding horizontal and vertical integration would give cable operators increasing ability and incentive to drop, or reposition to less-viewed channels, independent local broadcast stations, which competed with the operators for audiences and advertisers; significant numbers of local broadcasters had already been dropped; and, absent must-carry, additional stations would be deleted, repositioned, or not carried in an attempt to capture their local advertising revenues to offset waning cable subscription growth.[13]

Essentially, Congress has recognized that cable system operators compete with local broadcast stations for programming, advertising revenue, and audience share.[14]

---

[12]Turner Broadcasting System, Inc. v. F.C.C., 117 S.Ct. 1174, 1192 (1997) (citation omitted).

[13]Id. at 1183 (citations omitted).

[14]See, e.g., H.R. Rep. No. 628, 102d. Cong., 2d. Sess. 3 (1992), where the House Committee on Energy and Commerce stated that:

> Cable television systems and broadcast television stations increasingly compete for

(continued...)

However, this competition heavily favors the cable system operators because they serve as the gatekeepers to the homes of many local viewers. In this capacity, cable system operators can easily "stack the deck" in their own favor to the detriment of local broadcasters. Left unregulated, cable system operators can (1) repeatedly shuffle a local broadcasters' channel position on cable systems to disrupt station marketing and frustrate the public's ability to locate the signal or (2) simply refuse to carry a local broadcast station and deny its signal to the substantial number of local viewers that rely on cable, rather than over-the-air antennas, to receive their programming.

Because these anti-competitive tactics have been employed by cable system operators, Congress and the Commission have adopted must-carry and channel positioning requirements to counter these monopolistic strategies. As recognized by the United States Supreme Court, these rules are necessary to defend against the significant threat that cable operators pose to the broadcast industry by promoting and protecting the government's interests in "(1) preserving the

---

[14](...continued)

> television advertising revenues and audience. A cable system has a direct financial interest in promoting those channels on which it sells advertising or owns programming. As a result, there is an economic incentive for cable systems to deny carriage to local broadcast signals, or to reposition broadcast signals to disadvantageous channel positions, or both. Absent reimposition of must carry and channel positioning requirements, such activity could occur, thereby threatening diversity, economic competition, and the Federal television broadcast allocation structure in local markets across the country.

See also Turner Broadcasting System, Inc. v. F.C.C., 117 S.Ct. 1174, 1191 (1997) ("evidence before Congress . . . indicated that cable systems would have incentives to drop local broadcasters in favor of other programmers less likely to compete with them for audience and advertisers. Independent local broadcasters tend to be the closest substitutes for cable programs, because their programming tends to be similar, and because both primarily target the same type of advertiser.") (citations omitted).

benefits of free, over-the-air local broadcast television, (2) promoting the widespread dissemination of information from a multiplicity of sources, and (3) promoting fair competition in the television programming market."[15] Indeed, the Supreme Court explicitly stated last year that "[p]rotecting noncable households from loss of regular broadcasting service due to competition from cable systems is important because 40 percent of American households still rely on over-the-air signals for television programming."[16]

Yet, Univision has learned first-hand that the must-carry and channel-positioning rules have not prevented cable system operators from continuing to abuse their gatekeeper status in an attempt to minimize local broadcast competition. For example, Univision station KDTV in San Francisco sent must-carry letters in 1993 to all TCI cable systems in the market requesting carriage on Channel 14, KDTV's on-air channel. During the 1996 must-carry election period, KDTV once again timely asked that it be carried on Channel 14, and emphasized the importance of being carried on a single channel on all systems to avoid viewer confusion and to allow KDTV to effectively market its channel throughout the San Francisco area. Despite five years of must-carry requests and negotiations, KDTV has been carried on Channel 14 on only fifteen of TCI's 37 cable systems in the market. The other 22 systems remain the subject of two petitions

---

[15]Turner Broadcasting System, Inc. v. F.C.C., 117 S.Ct. 1174, 1181 (1997); see also FCC Begins Inquiry Into Broadcast Ownership Rules, MM Docket No. 98-35 (March 12, 1998) (separate statement of Commissioners Ness) ("The Commission has long held the view that the public interest is served by the twin goals of promoting competition and diversity of voices. . . . What's needed are independently owned outlets -- not a variety of content controlled by one owner.")

[16]Turner Broadcasting System, Inc. v. F.C.C., 117 S.Ct. 1174, 1181 (1997) (citation omitted).

for special relief filed at the Commission by Univision. Although these petitions have recently been granted, and TCI has been ordered to carry KDTV on Channel 14 on the systems, TCI has filed an application for review and petition for reconsideration that have had the effect of maintaining the status quo.[17] As a result, approximately five years have passed since Univision made its original must-carry demand and Univision still awaits the benefits of the Commission's must-carry/channel positioning rules.

Unfortunately, KDTV's plight is not unusual. Many of Univision's stations have had to expend significant resources fighting and negotiating with various cable system operators for the cable carriage and channel positioning that they should have received automatically after notifying the cable system operator of their must-carry rights. During this process, these stations are frequently moved around in the cable system's channel lineup, making it difficult for even the most interested viewer to locate a station with any consistency. On one of the systems involved in the case discussed above, KDTV's eventual move to Channel 14, as a result of the grant of KDTV's Petition for Special Relief, will be KDTV's *fourth* channel position in four years.

The most important, but often overlooked fact regarding these abuses is that *cable system operators have engaged in these anti-competitive strategies even with the cable/television cross-ownership rule in place*. In other words, cable system operators presently have enough

---

[17] Complaint of KDTV License Partnership, G.P. against TCI Cablevision of California, Inc., CSR 5196-M (CSB, released May 22, 1998); Complaint of KDTV License Partnership, G.P. against TCI Cablevision of California, Inc., CSR 5097-M (CSB, released February 4, 1998).

incentives to abuse their gatekeeper status without having a direct financial interest in competing local broadcast stations.

If the Commission were to eliminate the cable/television cross-ownership rule, the effect would be to add another even more compelling incentive for cable system operators to abuse their monopolistic power. If allowed ownership of a local broadcast station, there is little doubt that a cable system operator would protect its investment in the local station by providing universal carriage for its own station on a favorable channel, while limiting the ability of competing stations to reach viewers and generate the advertising revenues necessary to create or acquire competitive programming. Quite simply, the elimination of the cable/television cross-ownership rule would further exacerbate the difficulties that broadcast stations, particularly UHF stations, have faced in seeking to obtain reasonable access to cable system subscribers. By providing cable system operators with an even more direct financial incentive to abuse their control over competing broadcasters' channel position and cable carriage, permitting cable system operators to own broadcast stations in their own cable markets would increase anti-competitive activity while reducing diversity.

This conclusion is not mere speculation. TCI, the largest cable system operator, has already indicated it will abuse its gatekeeper status to benefit stations that it has a financial interest in if it is allowed to own broadcast stations in the same markets as its cable systems. TCI currently has pending an application to acquire a substantial ownership interest in the Telemundo Network and its stations. In October of 1997, when TCI was structuring that acquisition through affiliated company Liberty Media Corporation, TCI abruptly removed Univision's Galavision signal from TCI's Denver cable system and gave the cable channel position to a Telemundo affiliate located nearly 100 miles away in Steamboat Springs, Colorado.[18] According to the general manager of the Telemundo station, the station had been working to be placed on the TCI system in Denver for two years.[19] Not surprisingly, only as TCI was finalizing negotiations for the Telemundo transaction did the Telemundo station suddenly succeed in obtaining cable carriage. In addressing why TCI chose Galavision as the signal to be dropped, a TCI spokesman stated that "[b]ecause Galavision is also Spanish-language cable programming, it ended up being the one no longer carried."[20]

Confirming that the timely addition of the Telemundo signal in Denver was no accident, *Hispanic Market Weekly*, a trade publication of the Hispanic media industry, wrote that

> Liberty vice president David Jensen says that the voluntary agreement in Denver will probably be repeated in other markets where Telemundo is not already carried by existing cable systems. "One of the things TCI and Liberty want to do is improve Telemundo's reach all over the country." adds Jensen. *"If we have the capacity, we'll roll it on. If not, we'll bump another signal off the system."*[21]

To prevent similar abuses from happening in the future, the Commission must ensure fair competition and the continued viability of independent local broadcasters by preserving the cable/television cross-ownership rule.

As discussed above, the Commission must also recognize that cable system operators routinely abuse their gatekeeper status by flaunting the Commission's must-carry and channel

---

[18]See *TCI Pulls Plug on Galavision*, ROCKY MOUNTAIN NEWS, October 23, 1997, at page 1B.

[19]Id.

[20]Id.

[21]*Picking Up the Signal*, HISPANIC MARKET WEEKLY, Dec. 22, 1997, at page 1 (emphasis added).

positioning rules to the detriment of local television broadcasters. It is not uncommon for cable system operators facing a must-carry demand to falsely deny receiving an adequate signal from the station at their headend.[22] This shifts the burden to the station to conduct measurements to demonstrate that an adequate signal exists, and delays the need for the cable system to commence carriage. Univision itself has been compelled to expend enormous sums of time and money to obtain cable system compliance with the must-carry and channel positioning rules. With regard to the KDTV situation discussed above, determining the status of the KDTV signal on every one of TCI's systems, and then having to negotiate with TCI for cable carriage that the station is already entitled to under the must-carry rules (as has now been confirmed by the Cable Services Bureau), has been an enormous drain on the station's resources and personnel.

Cable system operators, however, have little incentive to comply with the rules, since many broadcasters cannot expend the resources necessary to establish non-compliance and prosecute the matter before the Commission. Indeed, the difficulties that Univision has experienced in the enforcement of the Commission's must-carry and channel positioning rules are exactly the kind of complications and delays that the rules were designed to avoid. As stated by the U.S. Supreme Court last year,

> [t]he record suggests independent broadcasters simply are not in a position to engage in complex antitrust litigation, which involves extensive discovery, significant motions practice, appeals, and the payment of high legal fees throughout. . . . An administrative complaint procedure, although less burdensome, would still require stations to incur considerable expense and delay before enforcing their rights. As it is, some public

---

[22]See, e.g., Complaint of Mountain Broadcasting Corp. against TKR Cable Co. of Elizabeth Request for Carriage, 11 FCC Rcd 4772 (CSB 1996).

stations have been forced by limited resources to forgo pursuing administrative complaints under the Cable Act to obtain carriage.[23]

Cable system operators are well aware that the worst that will happen to them if they fail to comply with the must-carry and channel positioning rules is that they may *eventually* be forced to carry the station on the proper channel after all appeals are exhausted. Failure to comply with these rules therefore carries no risk for cable system operators. In the meantime, while the local broadcaster is without cable carriage or proper channel positioning, the cable system operator gains a competitive edge and forces the broadcaster to divert its resources from acquiring and producing quality programming to a legal battle to enforce the must-carry and channel positioning rules. This drain on the local broadcaster's ability to maintain its quality of broadcast service is exacerbated by the fact that the station will also be losing audience share and advertising revenue because of its poor or non-existent cable carriage. As it can take years before a cable system can be forced to come into compliance (five years and counting in the case of KDTV), few broadcasters possess the resources to effectively compete against these monopolistic tactics until their rights are vindicated. Knowing that there is no risk in non-compliance, and that many stations will not expend the resources to enforce the rules in the first place, cable system operators have been emboldened to employ these anti-competitive strategies.

The Commission should therefore preserve the cable/television cross-ownership rule. As Univision's experiences illustrate, cable system operators already have enough incentives to engage in anti-competitive activity through their role as gatekeepers. Permitting cable system

---

[23]Turner Broadcasting System, Inc. v. F.C.C., 117 S.Ct. 1174, 1202 (1997) (citation omitted).

operators to own broadcast stations in markets where they control cable systems will only make it more profitable for the cable system operators to abuse their gatekeeper role to the detriment of both competing broadcast stations and the public, who will lose the inherent benefits that are derived from having competitive and diverse program sources.

Conclusion

For the reasons set forth above, Univision urges the Commission to preserve its UHF discount and cable/television cross-ownership rules.

Respectfully submitted,

UNIVISION COMMUNICATIONS INC.

By: Scott R. Flick

Clifford M. Harrington
Scott R. Flick

Its Attorneys

Fisher Wayland Cooper Leader
& Zaragoza L.L.P.
2001 Pennsylvania Avenue, N.W.
Suite 400
Washington, D.C. 20006
(202) 659-3494

Date: July 21, 1998

CERTIFICATE OF SERVICE

I, Renee Williams, do hereby certify that I have this 21st day of July, 1998, mailed by first-class United States mail, postage prepaid, copies of the foregoing "**COMMENTS OF UNIVISION COMMUNICATIONS INC.**" to the following:

Tom W. Davidson, P.C.
Akin, Gump, Strauss, Hauer & Feld, L.L.P.
1333 New Hampshire Avenue, N.W.
Suite 400
Washington, D.C. 20036

Mace J. Rosenstein, Esq.
Hogan & Hartson, LLP
555 13th Street, N.W.
Washington, D.C. 20004

Renee Williams

Renee Williams